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FIRST COUNTRY COOPERATION FRAMEWORK FOR BELIZE, 1997-2000

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INTRODUCTION

1. The first country cooperation framework for Belize is based on the National Development Strategy 1997-2000 and is the result of negotiations between the Resident Representative and the Government of Belize as well as of a series of discussions with representatives of the United Nations specialized agencies working in Belize. It represents, in the view of the Government, the most effective use of UNDP resources in support of sustainable human development efforts for Belize. The document will also serve as the basis for dialogue with the Government on the formulation and implementation of programmes within the country cooperation framework for Belize (1997-2000).

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

2. The population of Belize was estimated at 205,000 at mid-year 1993. The population growth is low (2.6 per cent per annum) owing to the effects of emigration. Youth predominates, with 44 per cent of the population aged 15 years and under. The fertility rate is 4.6 and the population is expected to grow most rapidly in the labour force age group with a projected population increase of 50 per cent by the year 2000. The combined male and female labour force represents 26 per cent of the population, with a national rate of unemployment estimated at 11 per cent in October 1993.

3. As a result of the armed conflicts in Central America in the 1980s, a significant number of refugees and displaced persons immigrated to Belize, mainly from El Salvador and Guatemala. The number of recognized refugees and their dependants is 8,912, which, added to the number of externally displaced persons, totals approximately 30,000 persons, or 14 per cent of the country's population, making Belize one of the countries with the highest ratio of refugees and economic immigrants to its total population. The increased pressure and demand on the country's limited social services was somewhat ameliorated by international aid and by government policy, which allowed immigrants to settle on national lands. However, the impact of Central American immigrants on the social and economic situation of the country has become a priority issue and has highlighted the need to seek durable solutions.

4. The people and Government of Belize are currently facing challenges derived from the dynamic changes in the world economy. Accordingly, the Government is committed to promoting socio-economic development by positioning the country favourably in the international economy.

5. The economy grew by 3.8 per cent during 1995, slightly higher than the Caribbean (3.4 per cent), but significantly less than the 10 per cent average rate of growth that the economy had experienced in the last half of the decade of the eighties (1986-1990). Various factors have affected this trend: a persistent trade deficit in spite of the 12.7 per cent growth in exports in 1995 ($161.8 million compared with $230.4 million in imports); a deterioration in public savings and reduced fixed investment; declining aid flows; and rising

levels of external debt. Inflation remained at 1.6 per cent. There was growth in the tourism sector and in citrus and paddy rice production while there was a decline in the production of sugar cane and bananas and in forestry and logging.

6. The Government has long been aware of the vulnerability of the economy caused by its dependence on preferential markets for a limited range of products. For Belize, the unification of the European market threatens the two leading export earners, sugar and bananas, with competition from much cheaper sources. This has been reinforced by the conclusion of the Uruguay Round of trade negotiations, which committed members to far-reaching trade liberalization. The World Bank has estimated that the loss of preferential access to these two markets could cost Belize 36 per cent of its total 1990 export earnings by the end of the decade. Simultaneously, the North American Free Trade Agreement (NAFTA) and the Common External Tariff (CET) established by Caribbean Community (CARICOM) countries poses a challenge to the overall competitiveness and the economic and social development of Belize.

7. The economic challenges faced by Belize are expected to increase over the next four years as a result of:

(a) The uncertainties surrounding the preferential agreements through which Belize markets 80 per cent of its exports;

(b) The drastic reduction of aid and concessional finance;

(c) The competition for private capital flows that Belize will face from other countries in the region;

(d) The departure of the British Forces, whose expenditure has been estimated in the order of 4 per cent of GDP, and the United States Agency for International Development (USAID), which contributed $110 million to the economy from 1983-1996.

8. The National Development Strategy 1997-2000 addresses the critical challenges for sustainable human development. The main goals and objectives are to:

(a) Increase the national wealth through economic growth in the context of sustainable human development;

(b) Facilitate human development and poverty eradication through education and the generation of knowledge, improvement in health care services, improvement in the administration of justice and the prevention and control of crime, with special attention to the marginalized and impoverished;

(c) Improve national infrastructure to facilitate expansion of the productive sector and increase the efficiency of service delivery to the local population;

(d) Improve public management to facilitate public sector expansion and to promote overall human development.

II. RESULTS AND LESSONS OF PAST COOPERATION

9. As most of the developing world, in recent years Belize has experienced a drastic decline of grant and concessionary funding for development activities. To a large extent, this is because global demand for international development assistance has continued to accelerate while the amount of resources donors are willing and able to contribute has stagnated or declined significantly. Many donor Governments are also implementing programmes in reorganized geographic and thematic areas of intervention. Under these circumstances, countries such as Belize, perceived to be relatively well off (as indicated, for example, in the Human Development Report 1995), have become less of a priority for donors.

10. The fourth country programme for Belize (1992-1996) was formulated in accordance with the National Development Plan 1990-1994. It concentrated its support in the areas of: (a) Management development in the social sector; (b) Environmental management; and (c) Community development and grass-roots participation.

11. The overall positive impact of the fourth country programme on the development objectives in these three high priority areas has been recognized by the Government. Projects implemented were largely geared towards strengthening institutional capacity with strong emphasis on human resource development, environmental conservation, and community/grass-roots participation.

12. Of particular importance was the successful evolution of the Development Programme for Displaced Persons, Refugees and Returnees (PRODERE). From a programme of assistance to Central American refugees and migrant populations around Belmopan, it expanded the methodology to all communities in the districts of Cayo, where it has achieved sustainable community participation and empowerment based on the enhancement of people's capacities to determine their needs and aspirations and seek durable solutions. Thus, UNDP has developed a community leadership programme that has been adopted as a model for implementation by the Ministry of Human Resources for its country-wide programme. In addition, the Social Investment Fund recognizes the benefits of building capacities in communities to implement development projects, which were created or enhanced through the activities of the programme.

13. As a result of the efforts undertaken in assisting the Government in natural resource conservation and management, UNDP is now seen as a leader in this area. Two particularly successful projects are: Sustainable Development and Management of Biologically Diverse Coastal Resources with financing from the Global Environment Facility (GEF); and the GEF Small Grants Programme. The impact of both these projects will increase in the near future since other donors remaining in the country, other than the Overseas Development Administration (ODA) of the United Kingdom, have limited experience and implementing capacity in this area of concentration.

14. The management of government-executed projects has been greatly enhanced through the process of strengthening the UNDP presence in the country. Increased support, guidance, and attention is now being provided to the

Government through the regular extended presence in Belize of a Senior Programme Officer and national staff of the UNDP sub-office in Belmopan.

III. PROPOSED STRATEGY AND THEMATIC AREAS

15. A key feature of the UNDP strategy in Belize is policy dialogue, considered essential in reaching agreement in areas of priority intervention. The programme orientation is also intended as a contribution to resolving the problems described in the First National Human Development Report for Belize, launched December 1996. Furthermore, limited financial resources require, on the one hand, an increased effort by the Government and UNDP in resource mobilization and, on the other hand, greater cooperation among donors in the country. The increased importance of the UNDP presence in Belize is now being recognized by the Government and it is expected that UNDP will take a stronger role in policy planning and resource mobilization. With the departure of USAID from the country, UNDP is also expected to assume a stronger role in environmental protection and natural resource conservation.

16. The selection of priority areas of support for the first country cooperation framework is based on critical problems that need to be addressed with some level of urgency. Failure to do so could affect other areas of support as well as progress achieved in sustainable human development (SHD). High political commitment and support for the programme of intervention is also critical. The Government and UNDP must also consider priority areas addressed on a regional basis (Central America and the Caribbean), since national actions alone may not be enough to arrive at effective solutions and efforts may be duplicated. The collaboration with other agencies within and outside the United Nations system must be pursued in order to enhance the effectiveness of programme delivery.

17. UNDP cooperation with United Nations specialized agencies, in particular the United Nations Children's Fund (UNICEF), the Pan American Health Organization/World Health Organization (PAHO/WHO) and the Office of the United Nations High Commissioner for Refugees (UNHCR), should continue in priority in SHD areas. UNDP and UNICEF should coordinate their efforts in the area of community development and overall poverty alleviation, in particular addressing the needs of women and children. UNDP should also cooperate with UNICEF in promoting the development of women, as enshrined in the Beijing Declaration, as well as promoting and supporting the International Declaration on the Rights of the Child.

18. The influx of refugees has significantly decreased as a result of the increased political stability of the Central American region. Consequently, the programme level of UNHCR to protect these populations is also decreasing. However, poverty in these populations is amongst the highest in the country, and with UNHCR presence ending in 1998 the Government will turn to UNDP and the other United Nations agencies in the country to provide assistance in poverty alleviation programmes for this and other groups of vulnerable populations.

19. Following the overall strategy outlined above and taking into consideration both the UNDP mandate and resource base, it is recommended that the country cooperation framework for Belize should have as priority areas: (a) Poverty elimination and community development and (b) Protection and regeneration of the environment.

A. Poverty elimination and community development

20. A recent poverty assessment conducted in Belize with assistance from the Caribbean Development Bank concluded that on the basis of their expenditure on food and non-food items, 25.3 per cent of households and 33 per cent of individuals were poor. Moreover, 9.6 per cent of households and 13.4 per cent of individuals were considered to be extremely poor or indigent; their level of expenditure was not high enough to enable them to satisfy their basic food requirements. The level of poverty among the youth and elderly was 31.6 per cent and 27.6 per cent respectively, and 32.8 per cent and 33.1 per cent for male and female heads of households.

21. The structural problems of poverty in Belize have been aggravated in recent years by the economic and social factors described above (influx of poor immigrants, servicing of the public debt, dwindling international cooperation, among others). The magnitude of the problem requires a comprehensive national strategy that incorporates poverty reduction in economic development policy, defines priority areas of intervention and effectively coordinates available resources from domestic and foreign sources. This strategy implies generation of productive employment, investment in human capital, widening of social and economic opportunities with particular attention to those in special needs. Furthermore, it requires due consideration of the relationship between poverty and environment within a framework of sustainable human development.

22. UNDP has increasingly focused its assistance towards sustainable human development initiatives based on comprehensive and participatory programmes for poverty eradication. The approach stresses the participation of local communities and the strengthening of their capacities to plan and execute sustainable development initiatives to improve skills, increase employment, create sustainable livelihoods and promote income-generation activities in the context of environmental sustainability and respect for human rights. The following specific activities for poverty elimination are proposed: (a) development of a national poverty reduction strategy, and (b) expansion of the programme for sustainable human development at the community level to all districts of the country.

B. Protection and regeneration of the environment

23. Economic activities based on the use of environmental resources such as agriculture, fisheries and tourism constitute the backbone of the economy of Belize. Therefore, it is important that Belize ensure long-term economic development through the sustainable use of natural resources.

24. Belize has so far been able to preserve its environmental resources to a much greater extent than other Central American and Caribbean countries. Approximately 57 per cent of the territory of Belize (about 23,000 sq km) is still under closed forest and most natural resources, with the exception of a few important fish species and certain mangrove areas, remain in relatively pristine condition. This can be explained by the relatively low population density and by a mostly adequate environmental resource management policy. However, the population, although from a small base, has been growing rapidly over the last decade at an annual rate of about 2.6 per cent, which is leading to increasing pressures on tropical forest areas and risks of unsustainable agricultural practices. Moreover, because of the overall dispersed population, the provision of adequate services, including potable water and sanitation, becomes more expensive to maintain. This is reflected in a much lower availability of such services to the rural population compared to other countries in the region that have lower per capita income than Belize. This, in turn, has led to increased incidence of water-borne diseases.

25. Over the last seven years, the Government has shown its commitment to comprehensive environmental management, beginning with the creation of the Department of the Environment in 1989 and the enactment of the Environmental Protection Act. The Government has also supported the integrated management of the coastal zone and has preserved areas of high biodiversity by the declaration of protected areas on land and in the marine environment. The Protected Areas Conservation Trust Fund has been established as a financial mechanism to fund the management of reserves.

26. In addition, environmental management has been strengthened through a wide range of regulations, such as the requirement for environmental impact assessments for new projects, and effluent and pollution controls. Other initiatives, such as the enactment of new forestry and fisheries legislation, is being considered to provide for more sustainable use of these critical resources. A major revision of the Environmental Protection Act is contemplated, which would expand the enforcement capabilities of the Department of the Environment.

27. The most serious environmental problems faced by Belize are:

(a) The absence of a national land management programme which has an impact on virtually every segment of economic activity;

(b) The increasing (solid and liquid) waste problem;

(c) The increase in the rate of unsustainable agricultural practices;

(d) Outbreaks of environment-related diseases that are costly in terms of health expenditures and loss of work time;

(e) Point and non-point sources of pollution from land-based and transboundary activities that degrade the coastal zone;

(f) Development pressures on coastal areas of high tourism or urban density and on the Cayes, where nearly 70 per cent of the land area is currently under lease or ownership by Belizeans; and

(g) Inadequate capacity to manage in a sustainable manner the use of a resource of global significance such as the Belize Barrier Reef.

28. Belize is a signatory of a broad range of international environmental conventions, including the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity, and most recently has ratified the International Convention for the Prevention of Pollution by Ships (MARPOL) with all five annexes.

29. The Government has been assisted in the implementation of its environmental management policies by a number of external donors, including: ODA for forest management; USAID for natural resources monitoring, planning and protection and PAHO/WHO for environmental health management. It has also delegated management of several protected areas to non-governmental organizations (NGOs) reflecting a high level of cooperation and confidence in NGOs. Finally, it has also recognized the opportunities for income generation and conservation when communities are empowered to manage their natural resources.

30. UNDP is increasingly being considered for assistance in natural resource management, especially now that USAID had left Belize and phased out its national programme. So far, GEF-financed projects include coastal zone protection and conservation, and the provision of small grants to NGO and community groups. The capacity of the Government for the effective management and protection of its coastal resources has been enhanced by the provision of technical cooperation and by the Coastal Zone Management Authority and Institute which will soon be established. The effective participation of all stakeholders in GEF-financed projects has guaranteed a sense of ownership and sustainability of the activities undertaken. It is expected that Belize may have access to the UNDP Capacity 21 programme to support the National Development Strategy 1997-2000, as well as through further GEF resources.

31. UNDP will continue to support the Government in increasing its capacity to manage the natural resources of the country through the following activities:

(a) The formulation of a national biodiversity strategy;

(b) The participation of Belize in the formulation and implementation of a Mesoamerican Biological Corridor;

(c) Support for the elaboration and implementation of a project expanding the Coastal Zone Management into a project for the management of national natural resources;

(d) Support to community-level initiatives through the implementation of the GEF Small Grants Programme;

(e) Policy support to the Government and the private sector in addressing industrial waste.

IV. MANAGEMENT ARRANGEMENTS

32. While appreciating the currently established arrangements in Belize, the Government encourages UNDP to take a stronger role in the coordination of activities implemented by United Nations agencies in Belize, in addition to the implementation and monitoring of the country cooperation framework. A Senior Programme Officer has been managing the fourth country programme since January 1996, with the assistance of a National Programme Officer. A UNDP sub-office, with adequate administrative support staff has been established at Belmopan. This arrangement has proven effective in the allocation of UNDP resources for nationally executed projects, as well as maintaining a policy dialogue with government authorities and the mobilization of resources to meet national priorities.

33. The aim of the programme in Belize is to achieve sustainability by full national execution, which will be encouraged and supported as a primary modality for future cooperation and institutional capacity-building within key ministries and NGOs.

34. Apart from cost-saving considerations, national execution is viewed as an effective means of enhancing national capacity to design, implement, monitor and evaluate projects. While national execution of projects will be the preferred implementation modality, the UNDP sub-office in Belize, along with the country office in El Salvador, will support the Government in the implementation, monitoring and periodic review exercises of the country cooperation framework, as well as in the mobilization of resources from within and outside the United Nations system. The Government will be assisted to meet its obligations and prerequisites established by main donors, thus being able to demonstrate its capacity to execute development programmes.

35. Over the years, Belize has established close bilateral technical cooperation with developing countries such as Chile, Costa Rica, Cuba, Mexico, Venezuela and CARICOM countries. This cooperation covers the areas of education, science, sports, culture, trade and tourism. In view of the success of this and in view of less satisfactory earlier attempts by UNDP to arrange TCDC activities, the potential for further promotion of TCDC by and through UNDP was considered rather small. Nevertheless, new efforts will be made to develop TCDC activities and mobilize the support of the Special Unit for TCDC for the formulation and implementation of a new multisectoral national AIDS programme, the development of which UNDP is promoting and supporting as a member of the recently formed United Nations Theme Group on HIV/AIDS.

36. UNDP will concentrate efforts on complementing its core funds by mobilizing other resources. However, this will be a challenging task because of the reduction of bilateral cooperation, the absence of new bilateral donors, and the policies of present ones who provide assistance directly to the Government, such as the European Union and the international financing institutions such as the World Bank, the Inter-American Development Bank and the Caribbean Development Bank.

Annex

Resource mobilization target table for Belize, 1997-2000

(In thousands of United States dollars)

SOURCE	AMOUNT	COMMENTS
UNDP CORE FUNDS		
IPF carry-over		
TRAC 1.1.1	220	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3 (where applicable)		
SPPD/STS	20	
Subtotal	240[a]	
NON-CORE FUNDS		
Government cost-sharing		
Sustainable development funds (GEF)	4 000	
Third-party cost-sharing		
Poverty Fund, TCDC	1 000	
Subtotal	5 000	
TOTAL	5 240[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TCDC = technical cooperation among developing countries; TRAC = target for resource assignment from the core; UNCDF = United Nations Capital Development Fund; UNIFEM = United Nations Development Fund for Women; UNV = United Nations Volunteers; and UNSO = Office to Combat Desertification and Drought (previously the United Nations Sudano-Sahelian Office, now part of the UNDP Bureau for Policy and Programme Support).